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Melissa Schwartz (BOEM) 202-208-3985

Categorical Exclusions for Gulf Offshore Activity to be Limited While Interior Reviews NEPA Process and Develops Revised Policy

WASHINGTON, D.C. – Secretary of the Interior Ken Salazar and Bureau of Ocean Energy Management, Regulation and Enforcement (BOEM) Director Michael R. Bromwich today announced that the department will restrict its use of categorical exclusions for offshore oil and gas development to activities involving limited environmental risk, while it undertakes a comprehensive review of its National Environmental Protection Act (NEPA) process and the use of categorical exclusions for exploration and drilling on the Outer Continental Shelf.

Director Bromwich and Secretary Salazar also announced that the Department of the Interior intends to conduct a new environmental analysis in the Gulf of Mexico that will help provide information to guide future leasing and development decisions. In the coming days, BOEM will publish a notice in the *Federal Register* of its intent to complete a supplemental environmental impact statement for the Gulf.

“In light of the increasing levels of complexity and risk – and the consequent potential environmental impacts – associated with deepwater drilling, we are taking a fresh look at the NEPA process and the types of environmental reviews that should be required for offshore activity,” Secretary Salazar said. “We are committed to full compliance with both the letter and the spirit of NEPA. Our decision-making must be fully informed by an understanding of the potential environmental consequences of federal actions permitting offshore oil and gas development.”

“The NEPA review and Gulf environmental analysis are central elements of our ongoing reform of the nation’s offshore energy development and regulatory program,” Director Bromwich said. “We are building a more robust and aggressive independent oversight agency based on the development of new tools and enhanced legal and regulatory authorities, as well as on the more aggressive use of existing tools. These changes in our regulatory framework and approach will serve to hold offshore operators accountable and ensure that the industry and the country are fully prepared to deal with catastrophic blowouts and oil spills like the Deepwater Horizon.”

Today's announcements follow the release of the Council on Environmental Quality's (CEQ) report on the former Minerals Management Service's NEPA program. The report was done in close consultation with Interior and BOEM which replaced the Minerals Management Service.

BOEM will issue a *Federal Register* notice announcing a formal process for the comprehensive review and evaluation of its use of categorical exclusions in relation to offshore oil and gas exploration and drilling activities. While this review is underway, Director Bromwich noted, BOEM will be using categorical exclusions on a more limited basis. For actions that potentially involve more significant environmental risk, Interior officials intend to subject more decisions to environmental assessments.

The limited use of categorical exclusions will allow BOEM to move forward with new permits under the Secretary's NTL-05 and NTL-06, which notified offshore lessees that shallow water drilling activity could proceed as soon as they provide additional information about potential blowout scenarios and implement additional safety measures for rigs and platforms. Most deepwater drilling activities are currently prohibited by a suspension, but Director Bromwich has instructed his staff not to use categorical exclusions to approve deepwater drilling activities similar to the Deepwater Horizon operation even after the suspension is lifted.

When the review is completed, BOEM will announce a new approach to NEPA compliance that takes into account the joint recommendations included in CEQ's report, statutory and/or regulatory constraints, and other appropriate factors. This is consistent with the Council's regulations directing all federal agencies to periodically review their NEPA policies and procedures.

Categorical exclusions are actions that do not individually or cumulatively have a significant effect on the human environment and for which neither an environmental assessment nor an environmental impact statement is required. The categorical exclusion process was established to reduce the amount of unnecessary paperwork and delay associated with NEPA compliance. If a certain type of federal action would not normally result in any environmental effects that are potentially significant, it is unnecessary to expend resources to repeatedly document that fact.

However, exceptions to a categorical exclusion may arise and federal agencies are required to develop procedures to determine whether a normally excluded action may have a significant environmental effect. The Categorical Exclusion Review determines whether a proposal that is categorically excluded may meet any of the Department's extraordinary circumstances criteria, requiring an environmental assessment or environmental impact statement.

To read Director Bromwich's memo, [click here](#). The CEQ review, *Report Regarding the Minerals Management Service's National Environmental Policy Act Policies, Practices, and Procedures as They Relate to Outer Continental Shelf Oil and Gas Exploration and*

Development, is online at CEQ Review and Report. More on the categorical exclusion process is online at <http://www.boemre.gov/eppd/compliance/nepa/policy/ce/index.htm>.

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